

First-Time Homebuyer Assistance Program Frequently Asked Questions

Eligibility Requirements

- **I do not live in a federal Community Development Block Group (CDBG)-qualified area in Long Beach, but I plan to buy a house in Long Beach. Can I still apply for the Program?**
 - Yes. You do **not** need to live in a CDBG-qualified area. You must be a current resident within the City of Long Beach to apply for this program.
- **How do I know if I qualify as a first-time homebuyer?**
 - Federal guidelines define a first-time homebuyer as an individual who meets any of the following criteria:
 - An individual who has not owned a principal residence during the past three years
 - A single parent or displaced homemaker who has only owned with a former spouse while married
 - An individual who has only owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations
 - An individual who has only owned a principal residence that was not in compliance with state, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure
- **How do I know if I qualify as a first-generation homebuyer?**
 - A first-generation homebuyer is an individual who meets any of the following criteria:
 - An individual whose parents or guardian never owned a home during the homebuyer's lifetime
 - An individual whose parents or guardian owned a home but lost the home to a foreclosure or short sale and does not own a home now
 - An individual who was a dependent in the foster care system at any time
- **I have \$100,000 in savings. I plan on using \$40,000 of my savings toward the down payment for my new home. Can I still qualify for the grant?**
 - Yes, you cannot have more than \$100,000 in liquid assets in your bank account after the close of escrow.

Program Application Process

- **What steps should I take now to be ready to apply for the Program?**
 - Step 1. Research the [homebuying process](#) and prepare to purchase a home. A United States Department of Housing and Urban Development (HUD)-approved [housing counseling agency](#) can help you understand the steps to purchasing your first home.
 - Step 2. Carefully review the Program Guidelines posted on the [Program website](#) to determine if you are eligible for the Program.
 - Step 3. If you believe you are eligible for the Program, please complete this [prescreening](#) to verify eligibility.
 - Step 4. Shop for a home loan and get pre-approved by a lender. Homebuyers must be preapproved by a lender *before* they can apply for the Program.
 - Step 5. Find a licensed realtor. Applicants must be represented by a licensed realtor in the home-buying process.
 - Step 6. [Apply](#) to be qualified for the Program.

Grant Award

- **How will the grant funds be awarded?**
 - The City will award grant funds on a first-come, first-served basis to qualified applicants at the time they open escrow on an eligible property, pending availability of funds.
 - Step 1: Eligible homebuyers apply to the Program.
 - Step 2: The City will review complete applications in the order they are received and issue a notice of Program Qualification to applicants who meet the eligibility requirements.
 - Step 3: Once qualified, homebuyers shop for a home, receive a fully accepted purchase contract, and open escrow on an eligible property. The City will issue grant awards to qualified homebuyers at the time they open escrow, pending availability of funds.

An applicant may be qualified for the Program but not receive a grant if the grant funds are exhausted before the applicant opens escrow or the applicant fails to close escrow within six months after opening escrow.

Eligible applicants may qualify for an extension.

- **I've already bought a house or plan to buy a house before the application is released. Can I be awarded the grant retroactively?**
 - No, the grant cannot be awarded retroactively. Homebuyers must apply and be pre-qualified for the Program before they open escrow on a home.

- **If awarded, will I need to repay the grant?**
 - No, there are no repayment requirements for the grant.

General

- **Can I work with any lender or realtor, or do I need to select from a pre-approved list?**
 - The City does not have a list of pre-approved or preferred lenders or realtors. Program applicants can work with any licensed realtor and lender.
- **Can this grant be combined with other down payment assistance programs?**
 - Yes, the Program grant can be used in conjunction with other first-time homebuyer and down payment/closing cost assistance programs. Talk with your lender or a [HUD-approved housing counseling agency](#) about other homebuying assistance programs that may be available to you.
- **I've heard the housing market can be tough right now, especially for first-time homebuyers. How can this Program help me buy a house?**
 - The grant funds can be used toward your home down payment and/or non-recurring closing costs, reducing the amount of cash you need up front to buy a home or allowing you to make a larger down payment and reduce your loan amount. The grant funds can also be used to buy down your mortgage loan interest rate, reducing the amount you pay each month for your mortgage. Discuss with your lender the costs to buy down your loan interest rate and how this would impact your monthly mortgage payment.

For Lenders and Realtors:

- **How can I become a preferred lender or realtor for this program?**
 - The City does not have a list of preferred lenders or realtors. Program applicants can work with any lender and realtor.
- **How can my clients find out more about the Program?**
 - You can encourage your clients to visit the [Program website](#) and review the Program Guidelines to determine if they are eligible to apply.

To request this information in an alternative format or to request a reasonable accommodation, please contact the Community Development Department at longbeach.gov/lbcd and 562.570.3807. A minimum of three business days is requested to ensure availability; attempts will be made to accommodate requests with shorter notice.